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The Two Top Issues:

The Economy and Iraq

BY REPRESENTATIVE TOM PETRI

While traveling around central Wisconsin, it comes as no surprise to me that two issues are firmly at the top of people's concerns: the economy and Iraq.

The Economy

It's no secret that we have had some difficult years recently, and unemployment is too high. We face serious challenges in Manitowoc, Neenah, Fond du Lac, the Sheboygan area and more. But overall, I think we are getting back on track, and I'm increasingly optimistic.

During the second quarter of 2003 the economy grew at a 3.3 percent annual rate. That used to be considered strong growth, but many businesses held back from bringing on new hires or purchasing new equipment, preferring instead to increase productivity by figuring out how to get the most out of the pathbreaking, innovative computers and other tools they purchased in the late '90s.

As a result, productivity has exploded in recent years. This makes employees better off over time, but the transition is tough on a lot of people because it has meant a "jobless recovery."

Still, during the third quarter of the year the economy grew at a blistering 8.2 percent rate. This was the strongest showing since 1984. Business equipment and software spending jumped at a 15.4 percent rate during the third quarter - up from 8.3 percent in the second quarter. This means that businesses have largely finished figuring out how to use their old tools and are now investing for a busy, competitive future.

Even while productivity allows businesses to do more with fewer people, growth rates of four percent or higher mean that increased hiring becomes unavoidable.

Nobody expects that fourth quarter growth will match the third quarter's 8.2 percent, but if it's above four percent, as expected, we will continue to be on the right track to more jobs.

Still, if you're out of work or if your employer is being battered by competition, it can be hard to believe that the economy is charging ahead. We are going through a period of historic economic change, with the result that some businesses will close down while others open demanding new skills, and the resulting dislocation can be severe. There's still a lot to be done to strengthen our manufacturing sector. The overall picture, however, should leave us encouraged.

On Iraq

Our troops are heroes for their swift and decisive toppling of Saddam Hussein's brutal and dangerous regime, and for their courageous policing efforts as we attempt to make it possible for Iraq to become a stable, democratic and responsible member of the world community.

Our troops deserve our support and should get everything they need.

At the same time, we should applaud the administration for deciding to accelerate the "Iraqization" of police and military operations. There are risks in rushing tens of thousands of Iraqis through abbreviated training courses in order to get them on the streets quickly, but building Iraq's future has to be an Iraqi responsibility with an Iraqi face.

We will have to remain in Iraq for some time to give healthy, representative Iraqi civic institutions the opportunity they need to mature, but the faster we can assure the Iraqi people that security is being provided by their own citizens, the faster we will be able to get our troops out of the line of fire.



Rep. Petri (left) joined President
Bush on Air Force One for a flight to
Milwaukee on Oct. 3, 2003, where the
President gave a speech on the
economy. They discussed economic
conditions in the 6th District. Next to
Rep. Petri is Rep. F. James
Sensenbrenner. On the President's
left is Health and Human Services
Secretary Tommy Thompson.

Legislative Accomplishments

ithout question, the most significant domestic legislative accomplishment in 2003 was congressional passage of Medicare drug reform. This measure was highly controversial, but ultimately prevailed thanks largely to the support of the AARP, whose president wrote: "Though far from perfect, the bill represents an historic breakthrough and an important milestone in the nation's commitment to strengthen and expand health security for current and future beneficiaries."

In briefest outline, once the prescription drug benefit goes into effect in 2006, voluntary participants will pay a \$35 monthly premium in return for which 75 percent of their drug costs will be covered up to \$2250 (after a \$250 deductible). Catastrophic protection will kick in for 95 percent of drug costs at about \$3,600 in out-of-pocket costs.

Low income seniors will not be subject to any cost sharing under the plan, except nominal co-payments between \$1 and \$5 for each prescription

Cost-sharing is reduced and premiums will be free for individuals living below 135 percent of the federal poverty level, with generous benefits for those between 135 to 150 percent of the poverty level.

Substantial subsidies have been included to encourage businesses to continue the drug benefit plans through their retiree health plans which already benefit many seniors.

Of great importance to central Wisconsin are provisions in the overall Medicare reform bill which provide substantially higher reimbursements for rural health care providers.

Many other important bills made it through the House during 2003. Here's a very short selection with brief outlines:

The Jobs and Growth Tax Act of 2003, which became law on May 28, 2003, gave our economy a needed boost by providing tax breaks for individuals, small businesses, and investors. 2003's strong third quarter growth numbers and increasingly positive jobs numbers make clear that this was the right policy choice for jumpstarting a sluggish recovery. **The Fallen Patriots Tax Relief Act** increases the military death benefit from \$6,000 to \$12,000 and makes the full amount exempt from federal income taxes.

The bill, which was approved unanimously by the House, also provides an additional \$1.3 billion in tax relief over ten years for taxpayers serving in our military. President Bush signed the bill into law on Veterans Day.

The Partial Birth Abortion Ban Act: In the "partial birth" abortion procedure, the abortionist partially delivers the fetus into the birth canal, usually leaving only the head inside the mother, an incision is made into the back of the living fetus' skull by a surgical instrument, a catheter is inserted into the head and sucks the brains out, thereby causing air pressure to collapse the skull. The dead fetus is then fully delivered. President Bush signed the ban into law on November 5

The National Do Not Call List to limit the commercial telephone solicitations which have disturbed the evening hours in so many homes around the country was established through legislation enacted by both the House and Senate early in 2003. After a federal court ruling questioned the intent of Congress in authorizing the Federal Trade Commission to create such a program, both the House and the Senate passed H.R. 3161 to clarify its earlier intention and ratify the FTC's regulations. The Do Not Call list is being complied with on a voluntary basis while another federal court considers a different legal challenge.

Burmese Freedom and Democracy Act of 2003,

which became law on July 28, 2003, provides important support for the Burmese democracy movement by imposing economic and trade sanctions on Burma's ruling military junta.

Unemployment insurance benefits were extended twice by Congress, once in January and again in May. This was in recognition of the difficulty people have had finding work during the economic slowdown.

The Fair and Accurate Credit Transactions Act of 2003 makes permanent the uniform national credit reporting system established by the Fair Credit Reporting Act of 1996, provides consumers with broader access to important credit information, and provides increased protections against identity theft. The full Congress approved this bill in November.

The Century of Aviation Reauthorization Act, legislation providing \$60 billion over the next four years for aviation safety, security and airport improvement projects was approved by Congress in November. **The Anti-Spam Act**, legislation to limit electronic junk mail, was approved by both the House and Senate in November.

The Charitable Giving Act of 2003 provides \$12.7 billion in incentives to encourage charitable giving and enacts a portion of the President's faith-based charity initiative. The Senate has passed its own version but a conference to reconcile differences has not yet been called.

The Death Tax Repeal Permanency Act of 2003 was passed by the House to remove a sunset provision in previous tax legislation which would restore the estate tax one year after its final elimination. This bill has not yet been taken up in the Senate.

The Social Security Protection Act of 2003 adjusts the rules relating to "representative payees" who abuse their position of trust in receiving benefit payments on behalf of disabled beneficiaries. This legislation protects the most vulnerable Social Security recipients. This bill is pending in the Senate.

Federal Deposit Insurance Reform Act of 2003

increases coverage limits to \$130,000 for most bank depositors, doubles coverage amounts for retirement savings accounts, allows the Federal Deposit Insurance Corporation more discretion in setting risk related insurance premiums, and merges the two federal deposit insurance funds. The Senate has not yet acted on deposit insurance reform.

Bankruptcy Abuse Prevention and Consumer Protection Act of 2003 reforms the bankruptcy system to ensure that higher income bankruptcy filers pay at least a portion of their debt. This bill passed the House in response to record bankruptcy filings but has yet to pass the Senate.

The House has also approved significant reforms while reauthorizing welfare and higher education programs, the Individuals with Disabilities Education Act, the Head Start program and more.

At this writing, Congress is still working on funding veterans programs, with a 10.7 percent funding increase likely.

Let Me Help

ext window please." Those words are seen and heard much too often, and the government gets the lion's share of the blame when it comes to giving people the run-

It's not our federal employees' fault - the vast majority are hard-working people who are trying to do their best under difficult circumstances. The problem lies with the enormous size of the federal bureaucracy and the huge quantity of paperwork which must be processed.

One of my jobs as a representative in Congress is to help 6th District residents in their dealings with the federal government. Many people call, write, or visit because they are having trouble with Social Security, Medicare or veterans benefits.

I have also helped constituents obtain passports on short notice and assisted service members with family emergencies. And local businesses frequently need help with applications for federal contracts.

No representative can order agency officials around, but with the help of my staff it's often possible to get answers where previously there was only silence or confusion. Here are some examples of recent casework successes:

Problem: A resident of Sheboygan County needed to obtain a duplicate copy of the citizenship certificate that she had lost. She applied for a copy, but over 3 years had elapsed with no result.

Solution: After her case was brought to my attention, my staff contacted the Bureau of Citizenship and Immigration Services on her behalf. We learned that her immigration file had been archived in another state as it had been more than 25 years since she became a U.S. citizen.

After the file was transferred, my assistant learned that documentation of a name change was

also required. Once that was provided, the citizenship certificate was finally issued, much to the delight of the constituent.

Problem: A Green Lake County resident discovered someone was using his Social Security number. His credit had been adversely affected and the state thought he was receiving unemployment, although he was working full time. He wrote to me for assistance.

rity Administration. A review of his employment records established his accurate earnings history. Subsequently his old Social Security number was cancelled and a new one issued to resolve his identity-theft problems.

Problem: The grandfather of a 6th district service member stationed in Iraq was terminally ill. The soldier desperately wanted to return to Wisconsin during this family crisis, but military regulations do not include grandparents in the definition of immediate family whose serious illness qualifies for the granting of emergency leave.

Solution: The grandfather's attorney contacted one of my staff members. The staff member was able to clarify the emergency leave guideline and it was determined that since the grandfather had practically raised the soldier he could qualify as having served "in the place of a parent."

The emergency leave was approved in time for the service member to attend his grandfather's funeral service.



Manitowoc Mayor Kevin
Crawford met with Rep.
Petri in Washington on July
22 to discuss ways that
Congress could help local
economic development.

Skyrocketing College Tuitions

The House Committee on Education and the Workforce is turning the spotlight on the issue of exploding college expenses, starting with the release of a congressional report, "The College Cost Crisis." *Among the key findings in the report:*

- America's higher education system is in crisis due to exploding college costs. Tuition increases are outpacing the rate of inflation, increases in family income, and even increases in state and federal financial aid, which have grown tremendously in recent years. These cost increases are pricing students and families out of the college market and forcing prospective students to "trade down" in their postsecondary educational choices because options that may have been affordable years ago have now been priced out of reach.
- It's <u>not</u> just the economy, stupid. Though many recent accounts attribute the college cost crisis primarily to state budget cuts and difficult economic times, the facts show tuition increases have persisted regardless of circumstances such as the economy or state funding, and have far outpaced inflation year after year, regardless of whether the economy has been stumbling or thriving.

- In both good and bad economic times, institutions of higher education have continued to disproportionately increase prices for students and families. When times are tough, institutions increase tuition; and when times are good, institutions increase tuition as well.
- Students and parents are losing patience with higher education "sticker shock." A backlash is possible, as evidenced by student protests which took place this summer on a number of major U.S. campuses. Public opinion shows widespread concern about the cost of a college education, as well as overall interest in finding solutions and involving the federal government in higher education affordability.
- Americans believe institutions of higher learning are not accountable enough to parents, students, and taxpayers the consumers of higher education.
- Americans do not believe a dramatic increase in federal funding for higher education will solve the college cost crisis.
- Americans believe wasteful spending by college and university management is the number one reason for skyrocketing college costs.

- The amount of information available to consumers about tuition increases is inadequate, inhibiting the ability of consumers to "comparison shop" and hold institutions accountable for tuition hikes.
- While significant tuition increases are the norm, they are not unavoidable. The report found a number of instances where colleges have managed, through innovation and diligence, to hold tuition increases to a manageable level or in some cases even reduce tuition. This not only provides hope, but concrete examples that college costs do not necessarily have to increase at such a rapid pace, and that it is possible to keep the dream of a college education within reach.

The report does not offer solutions, but will serve as a basis for the Education Committee's work ahead, which will likely take several approaches. As Vice Chairman of the Committee, I will be very much involved. Over the years I have put a lot of effort into making tuition costs affordable for more Americans, so I welcome the Committee's increased attention on this issue.



Rep. Petri joined Oshkosh artist Jonathan Wos during an event in the Rayburn House Office Building held to honor Wos, who recently won the \$10,000 grand prize in an art competition for artists with disabilities. Organized by VSA Arts, an international non-profit organization, participants were asked to illustrate the theme, "Road Trip: A Journey of Discovery." Restricted to a wheelchair due to osteogenesis imperfecta, Wos says that art plays a major role in living with his disability. While in town, Wos also received special recognition from the U.S. Government Printing Office, which will solicit a government agency to include a selected work of art in an agency publication.

High School Students:Service Academies Want You!

If you are a high school junior, you are probably thinking about applying for college in the year ahead. Some will want to consider the U.S. Service Academies: the Military Academy at West Point, NY; the Naval Academy at Annapolis, MD; the Air Force Academy at Colorado Springs, CO; and the Merchant Marine Academy at Kings Point, NY..

If so, you should contact one of my offices listed in this newsletter. Each congressional office is allowed to nominate a limited number of students for appointment to the academies. Nomination does not guarantee appointment, but does play a major part in the admissions process.

My nominations are based solely on the recommendations of an independent, bipartisan selection committee comprised of 6th District citizens.

In return for a commitment to serve in the military or Merchant Marine, the service academies provide top quality educations at no cost to the students. The Coast Guard Academy at New London, CT, is also worth considering (it does not solicit congressional nominations, however).

Further information and computer links to the academies' Web sites can be found in the Academy Page section of my Web site located at:

www.house.gov/petri/academy.htm

Short Takes

Transportation Funding: As Chairman of the Highways, Transit and Pipelines Subcommittee, I am deeply involved in efforts to win passage of the nation's next long-term highway bill.

The House bill, scheduled for consideration in February and March, would provide \$375 billion over six years - the minimum necessary according to the U.S. Department of Transportation to maintain our transportation system and start to address problems which have been neglected for far too long.

We need a first-rate transportation system to sustain and improve the economic growth we have seen in recent months. Good roads cost money, but bad roads cost more. In 2002 alone, traffic congestion cost the nation \$70 billion.

If approved, the new bill will create 1.7 million new, good-paying jobs, and would increase federal funding for Wisconsin's highways by \$1.1 billion over six years with \$2 million in additional transit funds.

Fair Trade with China: America's highly-skilled workforce is so highly productive that it can compete successfully with China despite that country's low wages.

Of greater concern for us than the wage differential is the manipulation of currency rates. Specifically, many economists believe that the Beijing government has pegged its currency 15 to 40 percent below its true free market value.

As a result, U.S. products cost 15 to 40 percent more than they should in China, and Chinese products cost 15 to 40 percent less than they should in the U.S. It's a situation the Chinese can't sustain in the long run—selling goods for less than they are worth while paying more for things ultimately results in inefficient investment and reduced growth.

In the short run, however, the results can be attractive to a government under pressure from a huge, restive and underemployed workforce.

For us, it's nice to be able to buy products dirt cheap, but not at the expense of

American industries which would be prospering except that the Chinese are failing to meet their international trade obligations.

In response, I've cosponsored legislation directing the Treasury Secretary to determine whether China is manipulating its currency to gain trade advantage. If manipulation is found, the bill requires tariffs equal to the degree of manipulation.

Quality of Life: For 12 years we've guaranteed about two percent of federal highways funds - currently about \$600 million per year - to bicycle and pedestrian paths, for downtown streetscapes, scenic highways, tourist welcome centers, historic preservation and wildlife crossings and similar projects.

It's all about quality of life, and the results are all around us to enjoy. And although individual projects are not costly, these enhancements pack a big punch in terms of promoting economic growth, recreation and tourism.

In September, however, the Appropriations Committee brought a bill to the floor of the House which would have eliminated the set-aside provision which guarantees money for transportation enhancements.

I objected, arguing that although there are a lot of competing demands for government funds, there has to be a place for those basic recreational options and beautification projects which only the government can provide for the good of the general public.

I was warned that attempts to go against the Appropriations Committee usually fail. Once we got the ball rolling, however, my bipartisan coalition received strong backing from a broad range of groups including the Conference of Mayors, the League of Cities, the American Association of State Highway and Transportation Officials, the AARP and environmental, hiking and bike trail groups. Even the Paralyzed Veterans of America weighed in.

Ultimately, my amendment passed by a vote of 327 to 90.



Army Specialist (E4) Michael Cain, from Berlin,

was in goods spirits in early September when Rep. Petri visited him at the Walter Reed Army Medical Center in Washington, D.C.

Cain, a truck driver on a re-supply mission, hit a mine August 10 near Tikrit, Iraq - Saddam Hussein's home town.

Petri was invited to visit by Cain's parents, Charlene and Kenneth Cain, who were on hand when he came by. Petri later noted, "Mike reminds us, without saying anything, that military life is much more than—and can be much worse than—the adventure that we see in movies. I have heard Mike several times referring to the mine explosion as

an 'accident.' But that was no accident. It was an attack. The United States was the target, but he stood in the way."

Keeping in Touch

f you have any questions or comments, please feel free to call or write. In addition to the usual "old-fashioned" addresses and numbers on page 1, you can contact me by e-mail. Due to the high volume of messages which I have received from all over the country, I am now asking everybody from the 6th District to use the form linked to the front page of my Web site found at

www.house.gov/petri/

This form filters out "spam" e-mail, which can number in the hundreds or thousands on any given day. When writing by email, please include your name and postal address to guarantee a response.

Internships for College Students

Would you like to learn more about our federal government—especially how Congress really **V** works? If so, you might consider an internship in my Washington office. Interns in my office are unpaid, but I cooperate with schools that are willing to offer credit for the experience. The work required is not complicated, but it is important and provides a chance to get a first-hand look at Congress and government service.

For further information, check my Web site at

www.house.gov/petri/intern.htm

Representative Tom Petri's January 2004

CITIZEN HOURS SCHEDULED

Citizen Hours Scheduled

uring the 107th Congress I spent 190 days working in Wisconsin, held 42 citizen hours in 21 cities, hosted 42 town meetings in 21 locations, and made 498 stops in 90 cities and towns.

In town meetings I meet with constituents to discuss national issues in a group setting. I expect to hold town meetings in the spring. Citizen hours, on the other hand, provide an opportunity to meet one-on-one with individuals who need help with Social Security or veterans benefits, who want to ask for help getting into the U.S. Military Academies, who want privately to discuss problems with farm programs, with the Internal Revenue Service and the like, or who simply want to express opinions about issues of national concern.

My latest round of citizen hours will take place from January 6th through January 9th at 12 locations throughout central Wisconsin. Please come and express your opinions.

TUESDAY, JANUARY 6th

9:30 - 10:45 a.m.—**SHEBOYGAN** Mead Public Library 710 North 8th Street Rocca Meeting Room

1:00 - 2:15 p.m.—**FOND DU LAC** City-County Government Center 160 South Macy Street Legislative Chambers

3:30 - 4:30 p.m—**GREEN LAKE** Caestecker Public Library 518 Hill Street Conference Room

WEDNESDAY, JANUARY 7th

9:00 - 10:00 a.m.—**ADAMS** Municipal Building 101 North Main Street **Council Chambers**

11:00 - 12:00 Noon—**WAUTOMA CAPsell Center** 205 East Main Street Conference Room C

1:30 - 2:30 p.m.—**MONTELLO** Marquette County Courthouse 77 West Park Street County Board Room

WEDNESDAY, JANUARY 7th continued

4:00 - 5:15 p.m.—**OSHKOSH** City Hall 215 Church Avenue Room 406

THURSDAY, JANUARY 8th

11:00 - 12:00 Noon—**CHILTON** City Hall 42 School Street City Council Chambers

1:30 - 2:45 p.m.—**MANITOWOC** City Hall 900 Quay Street City Council Chambers

4:00 - 5:00 p.m.—**DARBOY** Buchanan Town Hall N178 County Road N

FRIDAY. JANUARY 9th

9:00 - 10:00 a.m.—**WAUPUN** City Hall 201 East Main Street City Council Chambers

11:00 - 12:00 Noon—**WATERTOWN** Watertown Public Library 100 South Water Street, Room #1